

Florida Fluid Milk Report

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Federal Order No. 6
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Federal Order No. 13



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Market Administrator

November 1979

Market Summary

UPPER FLORIDA

Receipts of producer milk at pool plants regulated under Order No. 6 during October 1979 totaled 59.0 million pounds. Deliveries were up 2.0 million pounds from the previous month and 2.9 million pounds above the same month of the previous year.

During October, 55.5 million pounds of producer milk was classified as Class I -- up 2.9 million pounds from the previous month and up 1.7 million pounds from October 1978. The percentage of producer milk in Class I was 94.11% in October compared to 92.30% the previous month and 96.00% a year ago.

The uniform price to producers during October was \$13.81 per cwt. -- up 25 cents from September 1979 and \$1.34 above October 1978.

TAMPA BAY

Producers delivered 41.4 million pounds of milk to pool plants regulated under Federal Order No. 12 during October 1979. Producer milk deliveries were up 3.1 million pounds from September and were down 1.0 million pounds from October 1978.

Producer milk classified as Class I milk as used in the computation of the uniform price to producers totaled 37.7 million pounds. Class I producer milk totaled 34.6 million pounds in September 1979 and 39.3 million pounds during October a year ago. Class I milk was 91.14% of the total producer milk during October compared to 90.39% last month and 92.70% during October of last year.

The uniform price per cwt. for October milk was \$13.88, an increase (Continued on page 7)

Outlook For Dairy

Milk production probably will remain well above year-earlier levels at least through mid-1980. It now appears likely that first-half 1980 milk production will be up about 1 to 1½ percent. Still favorable milk-feed price relationships could result in continued heavy concentrate feeding and a continuation of sizable increases in output per cow. Conversely, slaughter cow prices probably will remain high and exert pressures for continued declines in cow numbers.

Milk production later in 1980 will depend on the impact of 1980 crop conditions on feed prices, the rate of increase in other production costs, and the impact of economic conditions on demand and thus on milk prices. All considered, milk production in 1980 is expected to total about 1 percent more than the 1979 figure of about 123½ billion pounds. However, it is still early, and developments in economic conditions, weather conditions, or market forces could alter this outlook in either direction.

During most of this year, market forces (not the support price) were the primary factors affecting farm milk prices as the higher milk output was offset by strong gains in commercial use and the rebuilding of commercial stocks from the low levels of late 1978. The resulting tight supply-demand balance brought prices up seasonally during the summer and early fall. Farmers received an average \$12.30 per 100 pounds of milk in September, up 13 percent from a year earlier and up 7 percent from the spring low. Manufacturing grade milk prices (adjusted for fat test) in September were 67 cents above the support price for April-September, and only 6 cents below the support price which became effective on October 1. Farm milk prices in 1979 (Continued on page 6)

Computation of the Uniform Prices for Producer Milk

October 1979

	<u>Order 6</u>		<u>Order 12</u>		<u>Order 13</u>	
	<u>% OF</u>	<u>PRODUCT</u>	<u>% OF</u>	<u>PRODUCT</u>	<u>% OF</u>	<u>PRODUCT</u>
	<u>TOTAL</u>	<u>POUNDS</u>	<u>TOTAL</u>	<u>POUNDS</u>	<u>TOTAL</u>	<u>POUNDS</u>
CLASS I MILK	94.11	55,508,080	91.14	37,732,460	93.92	59,634,197
CLASS II MILK	5.89	3,476,585	8.86	3,669,670	6.08	3,863,798
CLASS III MILK					-0-	
TOTAL PRODUCER MILK	100.00	58,984,665	100.00	41,402,130	100.00	63,497,995
OTHER SOURCE MILK		198,617		-0-		-0-
TOTAL MILK		59,183,282		41,402,130		63,497,995
	<u>Value</u>		<u>Value</u>		<u>Value</u>	
CLASS I MILK	\$7,737,826.35		\$5,297,637.38		\$8,491,909.65	
CLASS II MILK	396,330.69		418,342.38		440,472.97	
CLASS III MILK					-0-	
TOTAL	\$8,134,157.04		\$5,715,979.76		\$8,932,382.62	
ADJUSTMENTS:						
HANDLERS' LOCATION ADJ.	20,758.94		-0-		- 27,507.76	
OVERAGE	890.40		1,131.97		198.94	
BULK INVENTORY	1,289.23		8,927.23		-0-	
PACKAGED INVENTORY	9,570.53		4,846.86		7,576.58	
OTHER SOURCE RECEIPTS	27,687.21		17,382.50		-0-	
TOTAL VALUE TO HANDLERS	\$8,194,353.35		\$5,748,268.32		\$8,912,650.38	
LOCATION ADJUSTMENTS	- 22,255.61		-0-		31,947.98	
FROM PRODUCER SETTLEMENT FUND	25,595.91		18,418.05		21,145.21	
TOTAL VALUE OF MILK	\$8,197,693.65		\$5,766,686.37		\$8,965,743.57	
RESERVE	- 24,482.41		- 20,070.73		- 31,575.67	
VALUE AT UNIFORM PRICE	\$8,173,211.24		\$5,746,615.64		\$8,934,167.90	
UNIFORM PRICE	\$13.81*		\$13.88		\$14.07	
BUTTERFAT DIFF'L	\$ 0.148		\$ 0.148		\$ 0.148	
AVERAGE BUTTERFAT TEST	3.5259%		3.4624%		3.4376%	

* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

U.S. Milk Production and Prices*

OCTOBER MILK PRODUCTION UP 3 PERCENT FROM PREVIOUS YEAR

October milk production totaled 10.1 billion pounds, up 3 percent from October 1978. Accumulated production for the first 10 months of 1979 was 104 billion pounds, 1 percent above the same period last year, and fractionally above the same period in 1977.

Production per cow averaged 937 pounds, 30 pounds above a year earlier and 36 pounds above October 1977.

Total milk cows averaged 10.8 million for October, down 1 percent from last year and 2 percent from October 1977.

* Reprinted from "Milk Production", U.S.D.A., November 13, 1979.

DAIRY PRODUCTS * SEPTEMBER 1979

BUTTER

September butter production was 61.5 million pounds, 5% below August and 4% less than September 1978.

AMERICAN CHEESE

Production totaled 167 million pounds, 8% below last month but 14% above a year earlier.

TOTAL CHEESE OUTPUT

Excluding cottage cheese, production was 291 million pounds, down 6% from the previous month but up 10% from the previous year.

OTHER PRODUCTS

Following are changes in September production compared to a year ago:

CREAMED COTTAGE CHEESE	- down 9%
LOWFAT COTTAGE CHEESE	- up 1%
ICE CREAM	- unchanged
ICE MILK	- down 4%
SHERBET	- down 4%
DRY WHOLE MILK	- up 13%
DRY BUTTERMILK	- up 5%
NONFAT DRY MILK	- down 3%
(human use)	

* Reprinted from DAIRY PRODUCTS, November 1, 1979, Crop Reporting Board, U. S. D. A.

MILK-FEED PRICE RATIO 1975-1979, BY MONTHS, AND ANNUAL AVERAGE, UNITED STATES, BASED ON 16% DAIRY FEED ^{1/}

MONTH	1975	1976	1977	1978	1979
January	1.14	1.49	1.31	1.50	1.61
February	1.22	1.44	1.26	1.52	1.59
March	1.26	1.43	1.28	1.51	1.58
April	1.22	1.39	1.28	1.47	1.56
May	1.22	1.35	1.23	1.47	1.53
June	1.23	1.28	1.26	1.43	1.51
July	1.27	1.30	1.35	1.45	1.43
August	1.28	1.34	1.46	1.54	1.50
September	1.37	1.34	1.56	1.59	1.54
October	1.43	1.37	1.62	1.64	1.55
November	1.50	1.38	1.58	1.62	
December	1.54	1.34	1.51	1.63	
Annual	1.31	1.37	1.39	1.53	

^{1/} Beginning Jan. 1, 1979 the milk-feed ratio is based on 16 percent mixed dairy feed. The monthly U.S. ratios are computed to provide data users with historical information for use in making comparisons.

Source: "Agricultural Prices", Crop Reporting Board, U.S.D.A.

Producer Prices in Selected Federal Order Markets

(dollars per cwt. for 3.5 milk)

<u>Market</u>	<u>Class I Prices</u>		<u>Uniform Prices ^{1/}</u>
	(NOV.)	(OCT.)	(OCT.)
Tennessee Valley	13.42	13.19	12.81
Louisville	13.02	12.79	12.27
Chicago Regional	12.58	12.35	11.77
Georgia	13.62	13.39	13.16
Memphis	13.26	13.03	12.74
Nashville	13.17	12.94	12.51
New Orleans-Mississippi	14.17	13.94	13.57
Tampa Bay	14.27	14.04	13.88
Southeastern Florida	14.47	14.24	14.07
Upper Florida	14.17	13.94	13.81

^{1/} Or weighted average of base and excess prices.

Southeastern Florida Order No. 13

	OCTOBER 1979		OCTOBER 1978		OCTOBER 1977
	(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)	(Pounds)
Class I Milk					
Whole Milk	41,923,141	1,407,194	41,112,291	1,385,057	27,619,7
Skim Milk and Lowfat Milk	18,662,189	245,153	18,509,916	238,910	11,132,0
Flavored Milk and Milk Drinks	3,167,841	68,701	2,915,896	63,465	3,537,4
Buttermilk	571,526	7,427	643,632	5,331	815,2
Total Packaged Class I Disposition	64,324,697	1,728,475	63,181,735	1,692,763	43,104,4
In the Area	60,305,634	1,626,202	57,024,980	1,539,552	38,775,7
Out of the Area	4,019,063	102,273	6,156,755	153,211	4,328,7
Transfers to Nonpool Plants	1,660,201	47,590	882,983	26,271	5,2
Total Class I Disposition	65,984,898	1,776,065	64,064,718	1,719,034	43,109,0
Closing Inventory (Packaged)	3,574,081	94,037	3,482,512	91,415	2,347,2
Unaccounted for Milk	311,273	19,534	614,822	48,749	121,8
Total Class I Milk	69,870,252	1,889,636	68,162,052	1,859,198	45,578,7
Percent Change from Last Year	+ 2.5		+ 4.5		+ 1.
Less Nonpool Receipts ^{1/}	10,236,055	283,212	7,535,431	206,174	7,846,2
PRODUCER MILK IN CLASS I	59,634,197	1,606,424	60,626,621	1,653,024	37,732,4
Class II Milk					
Half & Half	993,894	105,182	940,512	99,851	331,6
Light Cream	44,396	8,409	47,323	8,887	13,6
Heavy Cream	126,504	45,372	114,635	42,178	32,9
Frozen Desserts	1,083,879	55,339	2,050,290	113,997	3,150,8
Other Class II Products	2,231,586	81,490	1,059,067	18,454	2,374,3
Total Class II Products	4,480,259	295,792	4,211,827	283,367	5,903,4
Transfers to Nonpool Plants	1,617,236	448,901	1,341,494	456,055	1,116,5
Closing Inventory (Packaged)	150,730	26,389	135,365	22,201	95,5
Closing Inventory (Bulk)	2,365,479	98,880	1,078,455	73,773	2,611,7
Shrinkage	795,004	35,921	827,185	33,381	788,6
Total Class II Milk	9,408,708	905,883	7,594,326	868,777	10,515,8
Percent Change from Last Year	+ 23.9		- 14.0		+ 31.
Less Nonpool Receipts ^{1/}	5,544,910	329,499	3,788,423	231,066	6,846,1
PRODUCER MILK IN CLASS II	3,863,798	576,384	3,805,903	637,711	3,669,6
PRODUCER MILK IN CLASS III					
Producer Milk All Classes	63,497,995	2,182,808	64,432,524	2,290,735	41,402,1
Average Butterfat Test	3.44%		3.56%		

^{1/} Includes, whenever applicable, receipts of other source milk in any form, beginning inventory, and overage.

Classification of Milk Plants

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Tampa Bay Order No. 12

SEPTEMBER 1979	OCTOBER 1978	
(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)
903,128	28,345,321	933,050
121,031	9,584,068	99,699
40,975	3,432,757	37,159
<u>10,317</u>	<u>825,884</u>	<u>9,559</u>
1,075,451	42,188,030	1,079,467
961,884	37,983,304	968,309
113,567	4,204,726	111,158
<u>63</u>	<u>1,269</u>	<u>8</u>
1,075,514	42,189,299	1,079,475
56,589	2,836,725	69,044
<u>8,971</u>	<u>245,186</u>	<u>14,315</u>
1,141,074	45,271,210	1,162,834
	+ 4.2	
<u>175,448</u>	<u>5,980,021</u>	<u>151,012</u>
965,626	39,291,189	1,011,822
35,305	324,112	34,418
2,476	30,761	5,474
11,597	56,143	20,431
223,549	2,659,461	191,396
<u>80,593</u>	<u>2,370,547</u>	<u>73,187</u>
353,520	5,441,024	324,906
359,267	967,459	298,093
16,396	95,275	17,639
99,266	770,985	58,647
<u>27,678</u>	<u>717,992</u>	<u>24,556</u>
856,127	7,992,735	723,841
	- 4.2	
<u>388,225</u>	<u>4,898,968</u>	<u>278,016</u>
467,902	3,093,767	445,825
1,433,528	42,384,956	1,457,647

3.46%

3.44%

Upper Florida Order No. 6

OCTOBER 1979		OCTOBER 1978	
(Pounds)	(B.F. Lbs.)	(Pounds)	(B.F. Lbs.)
43,926,760	1,434,928	38,746,965	1,261,536
11,978,420	143,089	10,907,717	137,364
4,620,443	69,458	4,565,004	72,926
<u>1,270,083</u>	<u>10,918</u>	<u>1,146,168</u>	<u>9,078</u>
61,795,706	1,658,393	55,365,854	1,480,904
48,953,808	1,299,964	47,403,167	1,258,838
12,841,898	358,429	7,962,687	222,066
<u>988,105</u>	<u>29,708</u>	<u>804,870</u>	<u>22,316</u>
62,783,811	1,688,101	56,170,724	1,503,220
4,432,263	112,261	3,982,555	109,888
<u>109,233</u>	<u>14,577</u>	<u>7,524</u>	<u>8,607</u>
67,325,307	1,814,939	60,160,803	1,621,715
+ 11.9		+ 2.7	
<u>11,817,227</u>	<u>319,642</u>	<u>6,352,268</u>	<u>166,510</u>
55,508,080	1,495,297	53,808,535	1,455,205
502,469	53,429	494,170	51,221
11,589	2,085	12,220	2,198
50,364	18,388	53,431	19,247
5,689,118	360,995	4,846,837	291,883
<u>985,670</u>	<u>8,454</u>	<u>847,233</u>	<u>4,282</u>
7,239,210	443,351	6,253,891	368,831
1,031,181	349,424	882,014	284,086
91,788	13,113	102,233	14,538
2,571,500	114,262	1,369,193	89,482
<u>813,449</u>	<u>38,821</u>	<u>521,074</u>	<u>28,181</u>
11,747,128	958,971	9,128,405	785,118
+ 28.7		- 3.9	
<u>8,270,543</u>	<u>374,501</u>	<u>6,886,687</u>	<u>274,785</u>
3,476,585	584,470	2,241,718	510,333
58,984,665	2,079,767	56,050,253	1,965,538

3.53%

3.51%

Outlook For Dairy*

(Continued from page 1)

probably will average about 14 percent higher than in 1978. These higher prices and larger marketings likely will push cash receipts from dairying past \$14½ billion, up from \$12.7 billion in 1978.

In early 1980, milk prices will ease seasonally as the increased production, relatively high level of commercial stocks at the start of the year, and weakening demand push prices down to the support level earlier than in 1979.

If 1980 milk output and commercial use develop as expected, purchases under the price support program could be substantially above this year's small totals, and manufacturing grade milk prices would average much closer to the support level in the coming year. Farm prices of all milk probably will average 9 to 11 percent higher than in 1979, with the largest gains during the second half. A substantial year-to-year rise is assured by the higher support prices (which must be adjusted on April 1) but potential further price increases will be limited by large USDA stocks of butter and nonfat dry milk and the current 105 percent sell-back policy. Even with the expected higher prices, increases in dairymen's returns over concentrate costs probably will be smaller than in 1979 but still should cover rises in other costs.

Sales of dairy products next year should be at or near 1979 levels, but somewhat below the trend increase of about 1 percent. However, sales could be greater if the impacts of the expected recession are less severe than now anticipated, or if meat supplies are below expectations.

* Reprinted from "United States and World Outlook for Dairy", November 8, 1979.

Farm Costs and Prices*

PRICES RECEIVED INDEX DOWN 5 POINTS
PRICES PAID INDEX UP 2 POINTS

The October Index of Prices Received by Farmers decreased 5 points (2 percent) to 236 percent of its January-December 1967 average, according to the Crop Reporting Board. Contributing most to the decrease since September were lower prices for cattle, hogs, soybeans, corn, broilers and calves. Higher prices for oranges, milk, grapefruit and wheat were partially offsetting. The index was 18 points (8 percent) above a year ago.

The mid-October Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes and Farm Wage Rates was 256, up 2 points (.8 percent) from mid-September. Higher prices for fuel and energy, fertilizer, motor supplies and building materials more than offset the lower prices paid for feeder pigs and used cars and trucks. The index was 32 points (14 percent) above the same month last year.

The Ratio of the Index of Prices Received to the Index of Prices Paid, including Interest, Taxes and Farm Wage Rates was 92 for the month October 1979. The ratio was down 3 points from the previous month and down 5 points from the same period a year ago.

* Reprinted from "Agricultural Prices", issued October 31, 1979, Crop Reporting Board, U. S. D. A.

Manufactured Dairy Product Prices (cents per pound)

Month	Butter	Nonfat Dry Milk	Cheddar Cheese
	(92-Score Chicago)	(Spray Process, Chicago Area)	(Wis. Assembling Points, 40 lb. Blocks)
<u>1978</u>			
Oct.	115.64	73.61	115.52
Nov.	121.12	74.23	117.12
Dec.	118.76	75.71	119.38
<u>1979</u>			
Jan.	111.30	76.30	119.50
Feb.	111.30	75.79	118.64
Mar.	114.08	76.46	119.72
Apr.	120.74	77.61	121.25
May	121.80	78.94	121.11
June	121.80	78.92	121.80
July	122.72	79.16	123.65
Aug.	128.71	79.75	128.52
Sept.	127.80	80.96	131.50
Oct.	128.77	82.94	128.80
1977 Avg.	98.43	66.23	96.83
1978 Avg.	109.76	71.06	107.08

Disposition of Packaged Class I Milk Products Inside the Marketing Area

	<u>OCTOBER 1979</u>	<u>OCTOBER 1978</u>	<u>% CHANGE</u>
	Pounds	Pounds	*
ORDER 6	57,018,857	54,538,475	+3.3
ORDER 12	47,808,212	45,965,238	+2.0
ORDER 13	63,093,211	59,863,414	+4.2
3 MARKET TOTAL	167,920,280	160,367,127	+3.2

NOTE: The data shown herein includes products disposed of by producer-handlers, non-pool distributing plants and other order plants as well as pool plants.

* The quantities shown are actual pounds. The percentages have been adjusted for differences in sales days.

Number of Plants and Handlers October 1979

	<u>ORDER 6</u>	<u>ORDER 12</u>	<u>ORDER 13</u>
Total No. of Handlers	29	14	18
Distributing Plants	9	8	8
Supply Plants	1	0	1
Part. Reg. Dist. Plants	4	1	0
Other Order Plants	11	3	8
Producer- Handlers	0	0	0
Coop. Ass'ns as Handlers	4	2	1

Market Summary

From page 1

of 23 cents from the previous month and \$1.41 above October of last year.

SOUTHEASTERN FLORIDA

Receipts of producer milk at pool plants regulated under Federal Order No. 13 totaled 63.5 million pounds of milk during October 1979. Compared to the previous month, receipts of producer milk were up 2.9 million pounds and 0.9 million pounds below October 1979.

In the October equalization pool, 59.6 million pounds of milk was classified as Class I. Class I producer milk was up 4.6 million pounds from last month, and was 1.0 million pounds below October 1978. Class I milk was 93.92% of the total during October compared to 90.76% the previous month and 94.09% during October of the previous year.

The uniform price to producers under Order No. 13 for October milk was \$14.07 per cwt. The uniform price was up 28 cents from September and was \$1.34 above October 1978.

PRODUCER SUMMARY

Under the three Florida milk orders, 434 producers delivered 163.9 million pounds of milk to pool plants. This compared to 474 producers and 155.8 million pounds during the previous month and 414 producers and 162.9 million pounds during October 1978. Producer milk deliveries in October were up 5.2% from September and were 0.6% above October of last year.

The average milk delivery per producer was 11,752 pounds per day for all producers delivering to plants under Federal Orders 6, 12, and 13. The average daily delivery per producer was 9,641 pounds under Order No. 6, 9,844 pounds under Order No. 12, and 17,536 pounds under Order No. 13.

8 Minimum Order Prices (Per Cwt. for 3.5 Milk)

Month and Year	Basic Formula Price		Upper Fla.* (Order No. 6)		Tampa Bay (Order No. 12)		S.E. Fla. (Order No. 13)	
	a/	b/	Class I	Uniform	Class I	Uniform	Class I	Uniform
<u>1978</u>								
Oct.	\$10.18	\$9.68	\$12.53	\$12.47	\$12.63	\$12.47	\$12.83	\$12.73
Nov.	10.44	9.90	12.75	12.64	12.85	12.64	13.05	12.88
Dec.	10.60	10.18	13.03	12.90	13.13	12.94	13.33	13.14
<u>1979</u>								
Jan.	10.55	10.44	13.29	13.18	13.39	13.18	13.59	13.39
Feb.	10.52	10.60	13.45	13.35	13.55	13.38	13.75	13.57
Mar.	10.59	10.55	13.40	13.25	13.50	13.31	13.70	13.50
Apr.	10.63	10.52	13.37	13.12	13.47	13.06	13.67	13.46
May	10.67	10.59	13.44	13.15	13.54	13.11	13.74	13.55
June	10.76	10.63	13.48	13.26	13.58	13.29	13.78	13.66
July	10.87	10.67	13.52	13.35	13.62	13.44	13.82	13.65
Aug.	11.09	10.76	13.61	13.53	13.71	13.54	13.91	13.77
Sept.	11.32	10.87	13.72	13.56	13.82	13.65	14.02	13.79
Oct.	11.25	11.09	13.94	13.81	14.04	13.88	14.24	14.07
1977 Avg.	8.58	8.48	11.33	11.37	11.43	11.33	11.63	11.60
1978 Avg.	9.57	9.29	12.14	12.02	12.24	12.02	12.44	12.26

a/ As reported for the month.
b/ Used in the computation of Class I prices for the month.
* 10 cents higher at plants located in or south of Flagler, Levy, Marion or Volusia Counties.

Number of Producers and Average Daily Delivery per Producer

Month and Year	Upper Florida		Tampa Bay		Southeastern Fla.	
	No. of Producers <u>1/</u>	Avg. Daily Delivery	No. of Producers <u>1/</u>	Avg. Daily Delivery	No. of Producers <u>1/</u>	Avg. Daily Delivery
		(pounds)		(pounds)		(pounds)
Oct. 1978	179	10,825	121	10,429	114	18,222
Nov.	184	11,054	117	11,064	115	18,566
Dec.	171	12,018	126	11,703	115	19,554
Jan. 1979	171	12,417	125	12,386	115	20,106
Feb.	178	12,663	118	12,547	115	20,753
Mar.	201	12,083	122	12,479	115	21,308
Apr.	198	11,443	123	12,940	75	28,934
May	218	10,174	125	12,119	74	29,123
June	216	9,786	129	11,071	74	26,788
July	228	8,749	121	9,888	114	17,592
Aug.	238	8,394	132	9,497	110	18,166
Sept.	228	8,558	131	9,739	115	17,475
Oct.	184	9,641	133	9,844	117	17,516

1/ Adjusted to exclude producers who delivered less milk to plants pooled under this Order than to plants pooled under another Federal Order.